

**ADDENDUM TO:
TOWN OF ERIN**

**2014 DEVELOPMENT CHARGE
BACKGROUND STUDY**

JULY 16, 2014



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 **Planning for growth**

SUMMARY OF REVISIONS MADE TO JUNE 24, 2014 DEVELOPMENT CHARGES BACKGROUND STUDY

1. BACKGROUND

Commensurate with the provisions of the *Development Charges Act, 1997*, the Town has undertaken a Development Charges (DC) Background Study and has distributed the Study to the public. The following provides a summary of the key dates in the development charge by-law process:

June 24, 2014 – Release of the DC Background Study

July 8, 2014 – Public Meeting

July 22, 2014 – Anticipated passage of Development Charges By-law

The purpose of this revised DC Background Report is to provide for changes to the June 24, 2014 DC Background Study. These refinements are in relation to:

- The current development charges rates quoted in the study
- Clarification of the term “urban area” to mean “urban serviced area”
- Refinement to the definition of ‘institutional’ noted in the bylaw

These refinements will form part of the DC Background Study provided prior to by-law adoption.

2. DISCUSSION

This section of the Addendum Report provides an explanation for the above noted refinements, and quantifies their impact on the proposed schedule of charges.

Based on a review by staff, it was discovered that the current development charge rates provided on Tables 2-1 and 6-4 in the DC Background Study were reflecting 2013 rates rather than 2014 current rates. The changes to the current development charge rates quoted within the DC Background Study are as follows:

Current DC Rates	Background Study - June 24th, 2014					Addendum Report - July 16, 2014				
	2013					2014				
	RESIDENTIAL				NON-RESIDENTIAL	RESIDENTIAL				NON-RESIDENTIAL
	Single & Semi-Detached	Multiple Unit Dwellings	Apartments - 2+ Bedrooms	Apartments - < 2 Bedrooms	Non-Residential - Per square Foot	Single & Semi-Detached	Multiple Unit Dwellings	Apartments - 2+ Bedrooms	Apartments - < 2 Bedrooms	Non-Residential - Per square Foot
Town-Wide										
Services Related to a Highway	3,230	2,582	2,007	1,381	1.99	3,256	2,602	2,023	1,391	2.01
Other Transportation Services	497	397	309	213	0.30	501	401	311	215	0.30
Fire Protection Services	994	795	618	425	0.43	1,003	801	624	429	0.44
Outdoor Recreation services	741	592	461	317	0.04	748	597	465	320	0.04
Indoor Recreation Services	2,168	1,733	1,347	927	0.14	2,185	1,747	1,358	932	0.14
Administration	537	429	334	229	0.33	541	433	337	231	0.33
Total Town-wide Charges	8,168	6,529	5,075	3,491	3.24	8,234	6,581	5,118	3,518	3.26
Urban Services										
Water	5,052	4,039	3,139	2,159	1.91	5,092	4,070	3,164	2,176	1.93
Total Urban Serviced Area Charges	13,220	10,568	8,214	5,650	5.15	13,326	10,651	8,282	5,694	5.19

In addition, Tables 2-1, 6-3 and 6-4 in the DC Background Study were updated to clarify that the “urban area” is referring to areas that are serviced by Town water. As a result, the “urban area” charge has been renamed to “urban serviced area” charge.

The final refinement needed relates to the definition of “institutional” within the proposed bylaw. The definition in the DC Background Study referred to the fact that institutional included “land, buildings or structures or any part thereof used by any organization, group or association for promotion of charitable, educational or benevolent objectives and not for profit or gain”. The addendum further defines “charitable” to be “registered in accordance with the Income Tax Act”.

In summary, the revisions discussed above have no impact on the proposed schedule of charges.

Based upon the above, the following revisions have been made to the June 24th Background Study and are included herein:

- Page 1-2 to 1-3 – updated wording to include the release of the Addendum report;
- Page 2-2 – updated Table 2-1 to include current 2014 development charge rates as well as change in wording to reflect “Urban Serviced Area” charges;
- Page 6-3 – updated Table 6-3 to change wording to reflect “Urban Services Area” charges;
- Page 6-3 – updated Table 6-4 to reflect the current 2014 development charge rates as well as change in wording to reflect “Urban Services Area” charges;
- Page E-4 – updated to include a refinement to the definition of ‘institutional’; and
- Page E-14 – Schedule B to the bylaw updated to reflect “Urban Services Area” wording change.

AMENDED PAGES

1.2 Summary of the Process

The Public Meeting required under Section 12 of the *Development Charges Act, 1997*, has been scheduled for July 8, 2014. Its purpose is to present the study to the public and to solicit public input on the proposed DC By-Law. The meeting is also being held to answer any questions regarding the study's purpose, methodology and the proposed modifications to the Town's development charges by-law.

In accordance with the legislation, the DC Background Study and proposed DC By-Law will be available for public review by June 24, 2014. The DC Addendum report will be available to the public on July 16, 2014.

The process to be followed in finalizing the report and recommendations includes:

- consideration of responses received prior to, at or immediately following the Public Meeting; and
- finalization of the Study and Council adoption of the DC by-law, currently scheduled for July 22, 2014.

Figure 1-1 outlines the proposed schedule to be followed with respect to the development charge by-law adoption process.

FIGURE 1-1
SCHEDULE OF KEY DEVELOPMENT CHARGE PROCESS DATES
FOR THE TOWN OF ERIN

1.	Data collection, staff interviews, preparation of DC calculations	May – June 2014
2.	Preparation of Draft DC findings	June, 2014
3.	Review of draft findings with Staff	June, 2014
4.	Statutory notice of Public Meeting Ad placed in newspaper(s)	by June 17, 2014
5.	DC Background Study and proposed DC By-Law made available to the public	June 24, 2014
6.	Public Meeting of Council	July 8, 2014
7.	DC Addendum Report made available to the Public	July 16, 2014
8.	Council considers adoption of DC Background Study and passage of DC By-Law	July 22, 2014
9.	Newspaper notice given of by-law passage	By 20 days after passage
10.	Last day for by-law appeal	40 days after passage
11.	Town makes available DC pamphlet	By 60 days after in force date

**Table 2-1
Town of Erin Current Development Charges**

Current DC Rates	2014				
	RESIDENTIAL				NON-RESIDENTIAL
	Single & Semi-Detached	Multiple Unit Dwellings	Apartments - 2+ Bedrooms	Apartments - < 2 Bedrooms	Non-Residential - Per square Foot
Town-Wide					
Services Related to a Highway	3,256	2,602	2,023	1,391	2.01
Other Transportation Services	501	401	311	215	0.30
Fire Protection Services	1,003	801	624	429	0.44
Outdoor Recreation services	748	597	465	320	0.04
Indoor Recreation Services	2,185	1,747	1,358	932	0.14
Administration	541	433	337	231	0.33
Total Town-wide Charges	8,234	6,581	5,118	3,518	3.26
Urban Serviced Area Charges					
Water	5,092	4,070	3,164	2,176	1.93
Total Urban Serviced Area Charges	13,326	10,651	8,282	5,694	5.19

2.5 Exemptions

The Town's existing DC by-law includes statutory exemptions from payment of development charges with respect to:

- Industrial building expansions up to 50% of GFA;
- Intensification within existing residential developments, with up to 2 additional apartments permitted within existing low density dwellings and 1 additional dwelling unit permitted within medium and high density dwellings; and
- Local government and school boards.

The DC by-law also provides non-statutory exemptions from payment of development charges with respect to:

- lands, buildings or structures used for a place of worship or for the purposes of a churchyard or cemetery exempt from taxation under the *Assessment Act*;
- a public hospital receiving aid under the *Public Hospitals Act* R.S.O. 1990, Chap. P.40, as amended, or any successor thereof;
- the development of non-residential farm buildings constructed for bona-fide farm uses, which qualify as a farm business, being that which operates with a valid Farm Business Registration Number and is assessed in the Farmland Realty Tax Class.

TABLE 6-3
SCHEDULE OF DEVELOPMENT CHARGES

Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per ft ² of Gross Floor Area)
Municipal Wide Services:					
Transportation Services	5,494	3,120	2,645	4,273	2.62
Fire Protection Services	2,143	1,217	1,032	1,667	0.86
Parks and Recreation Services	1,789	1,016	861	1,391	0.19
Administration - Studies	700	398	337	544	0.33
Total Municipal Wide Services	\$ 10,126	\$ 5,751	\$ 4,875	\$ 7,876	\$ 4.01
Urban Services					
Water Services	3,116	1,770	1,500	2,424	1.30
Total Urban Services	\$ 3,116	\$ 1,770	\$ 1,500	\$ 2,424	\$ 1.30
GRAND TOTAL RURAL AREA	\$ 10,126	\$ 5,751	\$ 4,875	\$ 7,876	\$ 4.01
GRAND TOTAL URBAN SERVICED AREA	\$ 13,242	\$ 7,521	\$ 6,375	\$ 10,299	\$ 5.31

TABLE 6-4
COMPARISON OF CURRENT AND CALCULATED DEVELOPMENT CHARGES FOR SPECIFIC TYPES OF DEVELOPMENT

Residential (Single Detached) Comparison

Service	Current	Calculated
Municipal Wide Services:		
Transportation Services	\$ 3,757	\$ 5,494
Fire Protection Services	\$ 1,003	\$ 2,143
Parks and Recreation Services	\$ 2,933	\$ 1,789
Administration - Studies	\$ 541	\$ 700
Total Municipal Wide Services	\$ 8,234	\$ 10,126
Urban Serviced Area Services:		
Water Services	\$ 5,092	\$ 3,116
Total Urban Serviced Area Services	\$ 5,092	\$ 3,116
Grand Total - Urban Serviced Area	\$ 13,326	\$ 13,242

Non-Residential (per ft².) Comparison

Service	Current	Calculated
Municipal Wide Services:		
Transportation Services	\$ 2.31	\$ 2.62
Fire Protection Services	\$ 0.44	\$ 0.86
Parks and Recreation Services	\$ 0.18	\$ 0.19
Administration - Studies	\$ 0.33	\$ 0.33
Total Municipal Wide Services	\$ 3.26	\$ 4.01
Urban Serviced Area Services:		
Water Services	\$ 1.93	\$ 1.30
Total Urban Serviced Area Services	\$ 1.93	\$ 1.30
Grand Total - Urban Serviced Area	\$ 5.19	\$ 5.31

ventilating, electrical, mechanical or telecommunications equipment that service the building;

(ii) loading facilities above or below grade; and

(iii) a part of the building or structure below grade that is used for the parking of motor vehicles or for storage or other accessory use;

“industrial” means lands, buildings or structures used or designed or intended for use for manufacturing, processing, fabricating or assembly of raw goods, warehousing or bulk storage of goods, and includes office uses and the sale of commodities to the general public where such uses are accessory to an industrial use, but does not include the sale of commodities to the general public through a warehouse club;

“Institutional” means land, buildings, structures or any part thereof used by any organization, group or association for promotion of charitable (registered in accordance with the *Income Tax Act*), educational or benevolent objectives and not for profit or gain;

“Local Board” means a school board, public utility, commission, transportation commission, public library board, board of park management, local board of health, board of commissioners of police, planning board, or any other board, commission, committee, body or local authority established or exercising any power or authority under any general or special Act with respect to any of the affairs or purposes, including school purposes, of the Town of Erin or any part or parts thereof;

“local services” means those services, facilities or things which are under the jurisdiction of the Town and are related to a plan of subdivision or within the area to which the plan relates in respect of the lands under Sections 41, 51 or 53 of the *Planning Act*, R.S.O. 1990, Chap. P.13, as amended, or any successor thereof;

“multiple dwellings” means all dwellings other than single-detached, semi-detached and apartment unit dwellings;

“non-residential use” means a building or structure of any kind whatsoever used, designed or intended to be used for other than a residential use;

“Official Plan” means the Official Plan adopted for the Town, as amended and approved;

“Owner” means the owner of land or a person who has made application for an approval for the development of land upon which a development charge is imposed’

SCHEDULE B
SCHEDULE OF DEVELOPMENT CHARGES

Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per ft ² of Gross Floor Area)
Municipal Wide Services:					
Transportation Services	5,494	3,120	2,645	4,273	2.62
Fire Protection Services	2,143	1,217	1,032	1,667	0.86
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